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**Managed Risk Medical Insurance Board  
HFP Advisory Panel Meeting Summary  
August 10, 2010  
West Sacramento, California**

**Attendees:** Jack Campana, Karen Lauterbach, Ron Diluigi, Ellen Beck, William Arroyo, Martin Steigner, Barbara Orozco-Valdivia.

**MRMIB Staff:** Lesley Cummings, Theresa Gomez, Ernesto A. Sanchez, Shelley Rouillard, Deborah Blatt

**1. Introductions**

Jack Campana, Healthy Families Program (HFP) Advisory Panel Chairperson, opened the meeting by introducing himself and asking the Panel Members, Managed Risk Medical Insurance Board (MRMIB) staff, and the audience to introduce themselves.

**2. Review and Approval of the May 11, 2010 meeting**

The HFP Advisory Panel briefly reviewed the previous meeting minutes. The panel made one revision and approved the revised May 11, 2010 meeting summary.

**3. HFP Advisory Panel New Member Oath & Vacancies**

Mr. Ernesto Sanchez, Deputy Director of Eligibility, Enrollment & Marketing Division, summarized recent panel reappointments and appointments serving a 3-year term. Elizabeth Salazar, Maria Tupas, Karen Lauterbach, Ron Diluigi, and Irma Hernandez will serve until 2013. Dr. Wada and Dr. Beck have officially indicated their interest in continuing their terms. Dr. Wada was not available to attend the May 11<sup>th</sup> meeting and will be given the oath at the next Advisory Panel Meeting. MRMIB is recruiting panel members representing the subscriber and disproportionate share hospital provider population.

**4. Federal Budget, Legislation and Executive Branch Activity (Including Healthcare Reform, Economic Stimulus & Budget)**

Although the Advisory Panel's responsibility is to advise the Board on HFP, Ms. Lesley Cummings, MRMIB Executive Director, provided the Panel with information on a new program MRMIB is implementing, as it is consuming much of the staff time. She explained that the new program will be a federal high risk program (known as the Pre-Existing Condition Insurance Plan [PCIP]) is a temporary program that will last until December 31, 2013 when national health reform is set to begin. After that date, there will no longer be a need for high risk pools because federal rules will not allow insurers to reject individuals with pre-existing conditions or charge them higher rates than those without such conditions. The federal government allocated a total

of \$5 billion dollars for all states to implement this program. California was allocated \$761 million for a 36-month period. It is projected that this allocation will help serve approximately 23,000 individuals enrolled in PCIP, in a given month.

The Governor elected to implement the PCIP on behalf of the federal government. MRMIB was the chosen state entity to oversee and administer this program, since MRMIB has experience in operating a state high risk pool, such as the Major Risk Medical Insurance Program (MRMIP). MRMIB would be able to leverage its experience serving uninsured individuals with pre-existing conditions when implementing PCIP.

Ms. Cummings explained that the timeline to implement PCIP is very aggressive. The goal is to have PCIP applications available for the public at the end of August, where eligible individuals could be enrolled in late-September. In order for an individual to qualify for PCIP, they must have a pre-existing condition and cannot have had creditable health coverage within the last 6 months prior to them applying for the program. Ms. Cummings explained that this was a federal requirement.

Dr. Martin Steigner inquired if dental and vision coverage was available through PCIP. Ms. Cummings clarified that PCIP only provides health coverage. She further elaborated that, traditionally, high risk pools have not provided dental or vision benefits.

The following documents are available to the HFP Advisory Panel and to the public:

- CA Solicitation Response to DHHS
- PCIP Vendors Solicitation
- PCIP Solicitation Q & As
- PCIP Draft Application Supplement

## **5. State Budget Update**

Ms. Cummings explained that the budget has not passed. The legislature rejected the Governor's proposal to eliminate HFP vision benefits, reducing the HFP program requirements to only cover children up to 200% of the federal income guidelines, and increasing HFP monthly premiums. Any of these program changes would have required a state law change. Ms. Cummings stated that federal health care reform enacted a maintenance of effort requirement (MOE) that requires states to maintain and preserve their existing SCHIP eligibility standards. Ms. Cummings stated that the Centers for Medicare & Medicaid Services (CMS) did not issue specific regulations that define the MOE requirements under the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA). However, it is commonly understood that a state cannot increase premiums because it may have an adverse and negative impact on enrollment.

Ms. Cummings stated that there will be enhanced federal funding in 2015 for SCHIP, when the federal government increases federal matching funds by an additional 23%. Currently, HFP receives 65% federal matching funds.

Ms. Cummings explained that the state budget has been a challenging process for MRMIB and other departments. As a result of inadequate state funding, it has been difficult to maintain statewide coverage. Some HFP plans have withdrawn their participation in certain areas or some

plans are not accepting new members. This is due to MRMIB not being able to provide rate increases.

Dr. Campana mentioned that the state budget has impacted many other agencies and departments as well, such as the Department of Education.

To view this report, please click on this link: [State Budget Update](#)

## **6. State Legislation**

Ms. Cummings highlighted the bills that were of interest to the Panel. She explained that AB 542 required the Department of Health Care Services (DHCS) and MRMIB to implement non-payment policies and practices for hospital acquired conditions, known as "never events." "Never events" are situations that are not supposed to happen, where the bill reduces the incidence of hospital acquired conditions. MRMIB would be required to contract with managed health care plans to implement the non-payment practices through the plans' contracts with their providers.

Ms. Cummings stated that AB 342 provides the statutory authority for DHCS to extend their Section 1115 Waiver to establish organized health care delivery systems for children eligible for services under the California Children Services (CCS) program, which could include HFP subscribers. The bill would permit MRMIB to enroll children in Healthy Families (who are determined to be CCS eligible children due to the carve-out) into these organized health care delivery models. Ms. Cummings explained that DHCS is analyzing different ways to provide services to CCS children.

Ms. Cummings explained that the federal law requires SCHIP and Medicaid programs to provide families with options when they are dissatisfied with their current health plan selection. Families must have more than one health plan option. Currently, the HFP may have only one health plan available to families, specifically in the rural areas. As a result of this federal requirement, the Board directed MRMIB staff to contract with DHCS to utilize its Medi-Cal fee-for-service network delivery system in counties where there is only one health plan. This would give HFP families another option to access services, in the event they are dissatisfied with their health plan.

To view this report, please click on this link: [Regular Session](#)

## **7. Healthy Families Program Update**

### **7a. Premium Discount Project Update**

Ms. Shelley Rouillard, Deputy Director of the Benefits and Quality Monitoring Division, explained that an update on the Premium Discount Project was previously provided to the Advisory Panel at the May 11<sup>th</sup> meeting. She indicated that there were no additional updates.

### **7b. Oral Health Improvement Project Update**

Ms. Rouillard reported that MRMIB has contracted with the Center for Health Care Strategies (CHCS), using grant monies that were provided by the California HealthCare Foundation. The contract with CHCS was fully executed at the end of June. Ms. Rouillard reported that a project "Kick-Off" Meeting occurred on July 15<sup>th</sup>. She explained that Dr. Steigner will be participating on the advisory committee.

Ms. Rouillard explained that the goal of this project is to work closely with the advisory committee and dental experts to identify best practices and quality improvement projects that can be considered for Healthy Families. She stated that the Oral Health Improvement Project will target poor performing dental plans, particularly the HMO dental plans. Since there was a recent change to the HFP program in late 2009, where certain children must enroll in a HMO dental plan for 2 years, there is a need to improve the quality and access of their care. CHCS will review and analyze 2009 dental data that MRMIB received from the HFP dental plans. The next project meeting is scheduled for August 16<sup>th</sup>.

#### **7c. Quality Strategy and External Quality Review Organization (EQRO) Solicitation**

Ms. Rouillard reported that the solicitation for a consultant to assist MRMIB staff in developing the quality strategy and EQRO solicitation was released in February 2010. She explained that MRMIB staff is finalizing the negotiations with the vendor and projected that a fully executed contract would in place on September 1<sup>st</sup>, assuming the budget is adopted by then. The vendor will assist MRMIB with the implementation of the CHIPRA quality assurance standards. Ms. Rouillard reminded the Advisory Panel that the HFP must comply with certain Medicaid Managed Care Standards. She summarized that the vendor will assist MRMIB in the following:

- Develop and implement a quality and assessment improvement strategy, which includes standards for access to care;
- Improve MRMIB's strategies in monitoring and evaluating the quality and appropriateness of care;
- Conduct periodic reviews on health plan strategies in providing quality and timeliness of care;
- Develop an External Quality Review Organization (EQRO) solicitation document.

Dr. William Arroyo inquired when MRMIB anticipated securing an EQRO vendor.

Ms. Rouillard stated that the goal is to contract with an EQRO vendor for the next benefit year in 2011/2012. She anticipated that there will be several entities interested in responding to the EQRO solicitation process.

#### **7.d. HFP Benefits Research Project**

Ms. Rouillard provided an update about program changes that were being researched in the event the program needed to identify program savings. She explained that the project considered a few options, such as increasing premiums or co-pays as well as reducing the HFP benefits to include only those benefits that are federally required. While HFP benefits might be able to be reduced, the State Knox-Keene Act requires a certain level of benefits beyond what federal law requires. If HFP benefits are reduced, the plans would have to get an exemption from Knox-Keene which is unlikely to happen.

In addition, Ms. Rouillard explained that the research project also considered putting limits on certain benefits, but this would not have generated much program savings.

Ms. Rouillard stated that these potential program savings were not feasible as a result of the maintenance of effort (MOE) requirements under federal law.



#### **7e. Update on Contract Extension with MAXIMUS**

Mr. Sanchez reported that MRMIB staff will recommend a 5-year contract extension with MAXIMUS as the administrative vendor at the August 18<sup>th</sup> Board Meeting. He further explained that the Board directed MRMIB staff to pursue a long-term extension with MAXIMUS, as a result of their performance and quality of services performed as the current administrative vendor. The Board also considered the contract savings of \$123 million when the contract was originally awarded to MAXIMUS, compared to the proposed value that was submitted by Electronic Data Systems (EDS) who was the incumbent administrative vendor at that time. In addition, MRMIB negotiated additional contractual enhancements and services with the 5-year extension, where MAXIMUS will continue to provide services at the existing contractual rates.

Mr. Sanchez also explained that California was one of the first states to go through the Payment Error Rate Measurement (PERM) federal audit. During the PERM audit, California's performance was exceptional and the HFP error rate was 0.04%, which was the best in the nation. MAXIMUS also is ISO certified, which certifies the quality of the MAXIMUS system. The ISO certification must be annually reviewed and re-certified every 2 years.

Ms. Karen Lauterbach expressed concerns about MAXIMUS performance, such as the ability for a Certified Applicant Assistant (CAA) reaching a supervisor when needing to escalate a call through the toll-free line. Mr. Sanchez clarified that MAXIMUS currently has a process in place where a supervisor receives urgent or escalated calls. He also explained that MAXIMUS handles 200,000 – 300,000 calls on a monthly basis and provides service to almost 900,000 children. Mr. Sanchez further explained that MAXIMUS continues to meet their performance standards when making eligibility determinations, with an accuracy level of 98%.

Mr. Sanchez recommended that Ms. Lauterbach and Ms. Barbara Orozco-Valdivia work with MRMIB and MAXIMUS to develop a CAA survey to solicit the CAA's input and feedback about the customer service they received through the toll-free line.

Ms. Lauterbach and Ms. Orozco-Valdivia agreed to participate in the development of the CAA survey.

#### **Informational HFP Reports**

To access these reports, please click on the links below the agenda item.

#### **Enrollment and Single Point of Entry Report**

Enrollment and Single Point of Entry Report

#### **Administrative Vendor Performance Report**

Administrative Vendor Performance Report

#### **Revised 2010-2011 Community Provider Designation**

Correction to the Community Provider Plan Designations for 2010-11

#### **2010-2011 Vision Coverage Areas**

2010-2011 HFP Vision Plans Coverage Areas Grid

**Evaluation of Children on Wait List**  
Evaluation of Children on the Wait List

**Recommendations for HFP Advisory Panel Vacancies**  
Recommendations for HFP Advisory Panel Vacancies

Dr. Campana asked if there were any more comments or questions. There being none, he reminded the panel that the next meeting is Tuesday, November 09, 2010, and adjourned the meeting.